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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 10-Q

-- Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 1992

___ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number _____

FOUR CORNERS FINANCIAL CORPORATION (as of April 12, 1988)
(Exact Name of Registrant as Specified in its Charter)

Delaware	22-2044086
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

80 West Main Street, Suite 200, Rochester New York 14614
(Address of principal executive offices - Zip Code)

(716) 454-7145
(Registrant's Telephone Number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No _____

BEST COPY AVAILABLE

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

At May 13, 1992 there were 13,320,168 of the registrant's $.01 par value common stock outstanding.

FOUR CORNERS FINANCIAL CORPORATION

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FOUR CORNERS FINANCIAL CORPORATION

CONSOLIDATED BALANCE SHEET

March 31, 1992 and December 31, 1991

ASSETS

	March 31, 1992 (Unaudited)	December 31, 1991
CURRENT ASSETS:		
Cash	$ 65,872	150,302
Cash - Escrow deposits (Note 6)	82,083	44,533
Accounts receivable - trade, net of allowance for doubtful accounts of $30,000 in 1991 and 1992 (Note 8)	881,201	785,504
Prepaid rent (Note 10)	16,346	26,168
Accounts Receivable - other	35,228	11,315
Other current assets	25,800	9,171
Total current assets	$ 1,106,530	1,028,993
TITLE PLANT (Note 3)	$ 254,951	245,213
PROPERTY AND EQUIPMENT, net of accumulated depreciation (Notes 3, 7 and 8)	$	310,006
316,705		
OTHER ASSETS:		
Deposit	$ 12,495	12,495
Intangible assets, net of accumulated amortization (Note 3)	63,101	62,400
Deferred stock offering costs	- 0 -	18,964
	$ 75,596	93,859
	$ 1,747,083	1,684,770

The accompanying notes to financial statements are an integral part of this statement.

FOUR CORNERS FINANCIAL CORPORATION

CONSOLIDATED BALANCE SHEET

March 31, 1992 and December 31, 1991

LIABILITIES AND STOCKHOLDERS' DEFICIT

		March 31, 1992 (Unaudited)	December 31, 1991
CURRENT LIABILITIES:			
Line-of-credit (Note 8)	$	- 0 -	408,000
Current portion of notes payable (Note 7)		135,648	40,762
Current portion of obligations under capital leases (Note 7)		50,745	60,315
Accounts Payable		351,783	312,732
Accounts Payable -related parties (Note 10)		103,425	96,055
Escrow deposits		82,083	44,533
Other accrued expenses		77,276	85,160
Accrued income taxes		504	17,414
Total current liabilities	$	801,464	1,068,914
LONG-TERM LIABILITIES:			
Notes payable, net of current portion (Note 7)	$	421,724	27,552
Obligations under capital leases, net of current portions (Note 7)		43,782	49,341
Due to officers/principal stockholders (Note 10)		194,000	194,000
Total long-term liabilities	$	659,506	270,893
Total liabilities	$	1,460,970	1,339,807
COMMITMENTS			
STOCKHOLDERS' INVESTMENT (Note 9):			
Common stock, $.01 par value, 30,000,000 shares authorized, 13,320,168 and 13,320,168 shares issued and outstanding in 1991 and 1992, respectively	$	133,202	133,202
Additional paid-in-capital		829,137	829,137
Accumulated deficit		(676,226)	(617,376)
Total stockholder's investment	$	286,113	344,963
	$	1,747,083	1,684,770

The accompanying notes to financial statements are an integral part of this statement.

FOUR CORNERS FINANCIAL CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE THREE MONTHS ENDED MARCH 31, 1992 and 1991

		1992 (Unaudited)	1991 (Unaudited)
REVENUE (Note 3 and 10):			
Title insurance premiums	$	350,689	301,301
Abstract, survey and appraisal fees		1,073,010	575,214
	$	1,423,699	876,515
DIRECT COSTS OF REVENUE:			
Title insurance	$	(55,551)	(47,004)
Abstract, survey and appraisal		(222,509)	(83,884)
	$	(278,060)	(130,888)
Gross Profit	$	1,145,639	745,627
OPERATING EXPENSES	$	(1,194,420)	(872,838)
Loss from operations	$	(48,781)	(127,211)
OTHER INCOME (EXPENSE):			
Interest expense, net	$	(17,524)	(21,468)
Miscellaneous income		7,455	5,581
	$	(10,069)	(15,887)
Net loss before provision for income taxes	$	(58,850)	(143,098)
PROVISION FOR INCOME TAXES		- 0 -	- 0 -
NET LOSS	$	(58,850)	(143,098)
NET LOSS PER SHARE	$	(.004)	(.010)

The accompanying notes to financial statements are an integral part of this statement.

FOUR CORNERS FINANCIAL CORPORATION

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)

FOR THE THREE MONTHS ENDED MARCH 31, 1992 and 1991

	Common Stock		Additional Paid-in-Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount			
BALANCE, December 31, 1990	13,208,496	$ 132,085	$ 792,817	$ (905,682)	$ 19,220
Net income for the three months ended March 31,1991 (Unaudited)	--	--	--	(143,098)	(143,098)
BALANCE, MARCH 31, 1991	13,208,496	132,085	792,817	(1,048,780)	(123,878)
BALANCE, December 31, 1991	13,320,168	$ 133,202	$ 829,137	$ (617,376)	$ 344,963
Net loss for the three months ended March 31, 1992 (Unaudited)	--	--	--	(58,850)	(58,850)
BALANCE, March 31, 1992	13,320,168	$ 133,202	$ 829,137	$ (676,226)	$ 286,113

The accompanying notes to financial statements are an integral part of this statement.

FOUR CORNERS FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 1992 and 1991

		1992 (Unaudited)	1991 (Unaudited)
CASH FLOW OPERATING ACTIVITIES:			
Net income (loss) from operations	$	(58,850)	(143,098)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	$	25,851	20,608
(Increase)/decrease in accounts receivable, net of accounts payable		(71,189)	188,396
(Increase)/decrease in other current assets and deposits, net of accrued expenses		(35,544)	5,997
Net cash flow from operating activities	$	(139,732)	71,903
CASH FLOW FROM INVESTING ACTIVITIES:			
Investment in fixed assets, net of disposals	$	(19,853)	(12,530)
Increase in title plant	$	(9,738)	(9,902)
Net cash flow from investing activities	$	(29,591)	(22,432)
CASH FLOW FROM FINANCING ACTIVITIES:			
Increase/(decrease) in notes payable and obligations under capital lease, net	$	473,929	(23,229)
Repayment on line-of-credit, net		(408,000)	(25,000)
Deferred stock offering costs		18,964	0
Net cash flow from financing activities	$	84,893	(48,229)
NET INCREASE IN CASH	$	(84,430)	1,242
CASH - beginning of period	$	150,302	81,007
CASH - end of period	$	65,872	82,249

The accompanying notes to financial statements are an integral part of this statement.

FOUR CORNERS FINANCIAL CORPORATION AND SUBSIDIARY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1992 AND 1991

(Unaudited)

(1) General

The financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate in order that the information presented is not misleading. All adjustments for a fair presentation of financial information contained herein have been made.

(2) Organization

The Company -

Four Corners Financial Corporation (FCFC) and its Subsidiary, Four Corners Abstract Corporation (FCAC) provide services and products including real estate title searching, and the preparation of abstracts of title, issuance of title insurance as an agent for certain national underwriting companies and real estate appraisals, primarily in western and central New York State. All of these services and products are required in connection with the mortgaging, sale or purchase of real property.

Unless otherwise indicated, the term "Company" refers to Four Corners Financial Corp. and its Subsidiary. The Company operates in one business segment.

(3) Summary of Significant Accounting Policies

Principles of Consolidation -

The consolidated financial statements include the accounts of FCFC and FCAC. All significant intercompany transactions and balances have been eliminated.

Cash and Equivalents -

Cash and equivalents include time deposits, certificates of deposit and other instruments with a maturity of three months or less.

(3) Summary of Significant Accounting Policies (Continued)

Property and Equipment -

Property and equipment is stated at cost and is depreciated using accelerated and straight-line methods over the following useful lives:

Buildings	15 - 30 years
Furniture and equipment	5 - 10 years
Leasehold improvements	Life of lease
Vehicles	5 years

At the time of retirement or other disposition of property, the cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statements of operations. Repairs and maintenance costs are charged to expense when incurred.

Intangible Assets -

Intangible assets consist of goodwill and covenants not-to-compete resulting from the 1987 acquisition of the Albany branch, the 1989 acquisition of Livingston Abstract Corporation, the 1990 acquisition of Picciano Abstract Company, Inc. and the 1991 acquisition of Proper Appraisal Specialists, Inc. (Note 4). The goodwill and covenants not-to-compete are being amortized on a straight-line basis over a five-year period.

Title Plant -

Title plant consists of copies of public records, maps and other relevant historical documents which facilitate the preparation of title abstract reports without the necessity of manually searching official public records.

The Company has incurred identifiable costs related to the activities necessary to construct a title plant which are reflected as assets. A title plant is regarded as a tangible asset having an indefinite economic life; accordingly, title plant costs are not depreciated. Costs incurred to perform full title search additions to the title plant are capitalized in the year incurred. Costs incurred to maintain or update existing title files in the title plant are expensed as incurred.

Revenue Recognition -

Title insurance is provided to purchasers or financiers of real property purchases. The related revenue is recognized when policies become effective, generally at the property or mortgage loan closing. Under terms of the Company's agreements with its title insurance underwriters', a commission of 15% - 20% is paid to its underwriter on all title insurance policies written. Pricing is based on a rate schedule established by the Insurance Department of the State of New York which provides for varying rates for services rendered. Commission expense is reflected as a direct cost of title insurance revenue in the statement of operations.

(3) Summary of Significant Accounting Policies (Continued)

Revenue Recognition - (Cont'd)

The Company also performs title abstract research and prepares appraisals on real properties. Abstract and appraisal revenue is recognized as earned. Direct costs of abstract and appraisal revenue reflects the cost of work performed by subcontractors in geographical areas where the Company does not maintain an office, among other direct costs.

(4) Acquisitions

The Company acquired Proper Appraisal Specialists, Inc. (1991), Picciano Abstract Company, Inc. (1990), Livingston Abstract Corporation (1989) and Mid-State (1988) for cash, notes and common stock totalling approximately $185,000. These acquisitions were accounted for as purchases. Goodwill, representing the excess of purchase price over the fair value of tangible assets acquired related to these acquisitions, totalled approximately $66,000 and is being amortized over five years.

On July 1, 1990, Picciano Abstract Company, Inc. and Livingston Abstract Corporation merged into FCAC.

Effective February, 1991, Mid-State was merged into FCAC. On the effective date of the merger (a) each share of Mid-State Class A common stock, issued and outstanding or held in the treasury of Mid-State immediately prior thereto, was changed and converted into 956 shares of FCAC common stock and (b) each share of Mid-State Class B common stock, issued and outstanding or held in the treasury of Mid-State immediately prior thereto, was changed and converted into 252 shares of FCFC common stock.

In conjunction with this merger, the Company reduced the basis of long-term assets acquired in the Mid-State acquisition by approximately $27,000, established a liability of approximately $10,000 for the FCFC common stock to be issued pursuant to the merger and eliminated the previously recorded minority interest of approximately $37,000.

(5) Income Taxes

The Company has not adopted SFAS 109 "Accounting for Income Taxes". This statement is effective for years beginning after December 15, 1992. The adoption of this statement would not have a material effect on the Company's financial condition or results of operations.

(6) Escrow Deposits

As a service to its customers, FCAC administers escrow deposits representing undisbursed amounts received for settlements of mortgage loans or property sales and indemnities against specific title risks. These funds, totalling $82,083 and $44,533 at March 31, 1992 and December 31, 1991, respectively, are recorded as both a current asset and a current liability in the accompanying balance sheet.

(7) Notes Payable and Obligations Under Capital Leases

Notes Payable -

Notes payable were as follows at March 31, 1992 and December 31, 1991:

	March 31, 1992	December 31, 1991
Note payable to Marine Midland Bank, due in monthly installments of $8,333 plus interest at prime plus 3/4%, maturing in April, 1997. This note is guaranteed by the officers/ stockholders of the Company, and is collateralized by substantially all of the Company's assets. (See Note 8)	$ 500,000	$ -
Various installment notes payable in aggregate monthly installments of $2,560 including interest from 11% to 14%, maturing through March, 1994, collateralized by vehicles and equipment.	43,282	49,527
Note payable in monthly principal installments of $1,130 plus interest at the prime rate plus 1%, maturing in July, 1992. This note is guaranteed by the officers/stockholders of the Company.	4,511	7,900
Other	9,579	10,887
	$ 557,372	$ 68,314
Less: Current portion	(135,648)	(40,762)
	$ 421,724	$ 27,552

(7) Notes Payable and Obligations Under Capital Leases (Continued)

Obligations Under Capital Leases -

The Company has entered into several capital lease agreements for equipment. These obligations consist of the following at March 31, 1992 and December 31, 1991:

	March 31, 1992	December 31, 1991
Various leases payable in aggregate monthly installments of $5,759, including interest at rates ranging from 9.5% to 16.9%. These leases mature through September, 1996 and are collateralized by the equipment.	$ 93,857	$ 108,345
Other	670	1,311
	$ 94,527	$ 109,656
Less: Current portion	(50,745)	(60,315)
	$ 43,782	$ 49,341

(8) Lines-of-Credit

The Company previously had available a $550,000 revolving line-of-credit with a bank. During 1991, this revolving line-of-credit was converted to a note payable. At December 31, 1991, $375,000 was outstanding on this note payable. During March, 1992 the Company secured a $500,000 note payable with another bank which was used to retire this note payable.

In March, 1992 the Company also secured a revolving line-of-credit bearing interest at the prime rate plus 1/2%. The maximum borrowing capacity under this agreement is $250,000. At March 31, 1992 there were no amounts outstanding on this line.

The Company also has available an unsecured line-of-credit of $100,000 with a bank. At March 31, 1992 and December 31, 1991, $-0- and $33,000, respectively, was outstanding under this line-of-credit with interest at the prime rate. Borrowings under the line-of-credit are personally guaranteed by the Company's principal officers/stockholders.

(9) Stockholders' Investment

Stock Options -

In 1990, the Company's Board of Directors adopted and the shareholders approved an increase in the number of shares of common stock allocated to the Company's 1988 Stock Incentive Plan (Plan) from 1,000,000 shares to 2,000,000 shares.

In 1990, pursuant to the Plan, the Company's Board of Directors granted non-qualified stock options to certain of its key employees to purchase an aggregate of 1,130,000 shares of common stock at a price of $.13 per share, the fair market value of the shares on the date the options were granted. The options expire in 1995. As of March 31, 1992, none of these options have been exercised.

Prior to 1990, pursuant to the Plan, the Company granted non-qualified stock options to three key employees and a director to purchase an aggregate of 420,000 shares of common stock at a price of $.125 per share, the fair market value of such shares on the dates the options were granted. The options expire in 1993. At March 31, 1992 options to purchase 60,000 shares remain outstanding.

At March 31, 1992, 450,000 shares are available for future grants under the Plan.

Employee Stock Bonuses -

During 1991, 1990 and 1989, the Company issued 11,000, 58,235 and 28,091 shares of common stock, respectively, to employees for services rendered. These shares were valued at fair market value at the date of grant and were recorded as compensation expense in the respective periods.

(10) Related Party Transactions

Due to Officers/Principal Stockholders -

During 1991, 1990 and 1989, one of the Company's principal officer/stockholder's made advances to the Company. These advances bear interest at the prime rate plus 3% and repayment is subordinated to the amounts outstanding under the line-of-credit agreements. The principal officer/stockholder has agreed not to require payment of this amount through January 1, 1993.

At March 31, 1992 and December 31, 1991, $194,000 was outstanding.

Office Lease Commitment -

The Company leases its Rochester facility from a related party. The lease agreement requires annual rental payments of $263,000 plus common area charges. This lease arrangement expires in May, 2002. The Company owed $103,425 and $96,055 for unpaid rent as of March 31, 1992 and December 31, 1991, respectively.

(10) Related Party Transactions (Continued)

In 1988, the Company issued 322,670 shares of the Company's common stock at fair market value, aggregating $157,128, in payment of its future rental obligations for certain facilities. This transaction has been recorded as prepaid rent on the Company's balance sheet and is being amortized over the lease period. Prepaid rent at March 31, 1992 and December 31, 1991 amounted to $16,346 and $26,168, respectively.

In 1990, the Company issued 1,153,846 shares of the Company's common stock at fair market value, aggregating $150,000 in lieu of payment of amounts owed for rent.

Significant Customer -

In 1990 and 1989, 11% and 19%, respectively, of revenue was derived from a related party.

(11) Lease Commitments

FCAC leases other office facilities under lease agreements expiring through February, 1997.

Minimum lease payments under non-cancelable lease agreements were as follows at December 31, 1991:

1992	$ 103,772
1993	76,039
1994	75,338
1995	60,038
1996	29,278
	$ 344,465

FOUR CORNERS FINANCIAL CORPORATION AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE QUARTER ENDED MARCH 31, 1992

1. Liquidity and Capital Resources

The Company's cash flow results from operations, bank loans, advances made by principal stockholders and from sales of common stock.

During the first quarter of 1992, cash reserves of $150,302 and cash flows from financing activities of $84,893 were sufficient to fund the Company's negative cash flow from operating activities of $139,732 and investment in fixed assets of $29,591.

Cash Flow from Operations: The Company had negative cash flow from operating activities during the first quarter of 1992 of $139,732 compared to positive cash flow of $71,903 for the same period of 1991. This negative position resulted from the Company's seasonal first quarter operating loss of $58,850 and an increase in accounts receivable and other assets. During the first quarter of 1991, cash flow from operations was favorably impacted by an increase in accounts payable. This did not re-occur during the first quarter of 1992. The Company expects further increases in accounts receivable as quarterly revenues continue to rise.

Cash Flow from Investing Activities: The Company made capital expenditures of $19,853 during the first quarter of 1992 as compared to $12,530 for the same period in 1991. To support its ongoing operations, the Company also made title plant investments of $9,738 as compared to $9,902 for the first quarter of 1991. The Company expects to increase its level of fixed asset and title plant additions in future periods as real estate activity increases. At March 31, 1992, the Company had no material purchase commitments.

Cash Flow from Financing Activities: Primary cash flows from financing activities relate to changes in financing under lines of credit, notes payable, and advances made by principal stockholders.

During 1991, the Company's line of credit was converted to a note payable with $25,000 principal payments due quarterly and a $375,000 balloon payment due April, 1992. During the first quarter of 1992, the Company obtained a commitment from another bank for a $500,000 term loan and a $250,000 working capital line of credit. This loan transaction was closed during March, 1992. The proceeds of the term loan were used to repay the note payable due April, 1992 of $375,000 and to provide additional working capital. These transactions, in addition to long term borrowings under capital leases, provided net cash flow from financing activities for the first quarter of 1992 of $84,893, as compared to a negative cash flow of $48,229 for the same period in 1991.

The Company expects cash flow generated from operations and bank lines of credit currently available will be adequate to meet its working capital and capital expenditure needs for at least the next twelve (12) months.

2. Results of Operations

Total revenues for the first three months of 1992 reached $1,423,699, representing an increase of $547,184 or 62% over the same period in 1991. This increase is reflective of the gains the Company has made in market share across the state, as well as an increase in real estate activity due to lower interest rates. First quarter revenues from abstract and appraisal fees increased to $1,073,010 as compared to $575,214 for the same period in 1991. Title insurance premiums rose by 16% during the first quarter of 1992 to $350,689. It is anticipated that this growth in revenues will continue into the second quarter of 1992 as the country's economy continues to rebound.

As a result of its purchase of Proper Appraisal Specialists, Inc. in December, 1991, the Company has begun to market commercial appraisal services to its existing customer base, as well as to other potential customers. Appraisal revenues for the first quarter of 1992 reached $198,530, an increase of $151,630 over the same period in 1991. In addition, the Company continues to explore the feasibility of establishing a branch operation in the Hudson Valley area of New York State.

As a result of the Company's geographic expansion and increase in business activity in areas where it does not have a direct operation, i.e. Hudson Valley, direct costs of revenue increased to 19.5% for the first quarter of 1992 as compared to 15% for the first quarter of 1991. Operating expenses for the three month period were $1,194,420 or 84% of revenues as compared to $872,838 or 97.5% of revenues for the same period in 1991. Correspondingly, the Company's first quarter operating loss decreased by $78,430 to $48,781, down from $127,211 in 1991. The net loss for the period was $58,850 as compared to $143,098 for the first quarter of 1991.

Due primarily to the restructuring of the Company's debt as a result of obtaining a five year term loan for $500,000 in March, 1992, the Company's ratio of current assets to current liabilities was 1.38:1 as compared to .96:1 at December 31, 1991. Accordingly, the Company's working capital balance improved to $305,066 as compared to a deficit of $39,921 at December 31, 1991.

PART II - OTHER INFORMATION

Item 1. **Legal Proceedings**

None

Item 2. **Changes in Securities**

None

Item 3. **Default Upon Senior Securities**

None

Item 4. **Submission of Matters to a Vote of Security Holders**

None

Item 5. **Other Information**

None

Item 6. **Exhibits and Reports on Form 8-K**

a. Exhibits

None

b. Reports on Form 8-K

None

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FOUR CORNERS FINANCIAL CORPORATION

Date May 13, 1994 By _____

Frank B. Iacovangelo
President/Treasurer

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

FOUR CORNERS FINANCIAL CORPORATION

Date Dec 13 1993 By /s/ Frank B. Iacovangelo
Frank B. Iacovangelo
President/Treasurer